

Staff Reporter

Finance Minister AMA Muhith on Wednesday urged the country's banks to focus more on productive sector while disbursing loan saying that this sector has been the key to creating more wealth for the nation.

"If we want to increase our assets, we've to lay emphasis more on development of production sector," he said while inaugurating a two-day 'SME Financing Fair 2014' at city's Sonargaon Hotel.

Bangladesh Bank and SME Foundation jointly organized the fair to promote banking loan and support for the country's micro, small and medium enterprises.

Held with SME Foundation chairman KM Habibullah Khan in the chair, the function was addressed, among others, by Bangladesh Bank governor Dr Atiur Rahman, Industries Secretary Mosharraf Hossain Bhuiyan, FBCCI President Kazi Akram Uddin Ahmed, SME Foundation's managing director Dr Syed Md Ehsanul Karim and general manager of SME & Special Program Department Masum Patwari.

Suggesting introduction of more awards for production sector, he said this production may be in any sector of the economy such as agriculture, industry or even services sector which help create wealth and grow the economy.

The Finance Minister said the awards could be introduced for innovative ideas in the industrial or business sectors.

He said the country's prospect is good as the government has been giving importance to the development of micro, small and medium enterprises.

Muhith said the SME Foundation's name could be changed by incorporating the micro enterprises' theme in its activities as micro enterprises are growing rapidly. "Flourishing our micro sector has been a matter of pride."

He observed the micro sector has a major contribution towards bringing the country's huge population under the banking network.

Referring to Bangladesh Bank governor's information, Muhith said it is very significant that 30 percent of the total banking loan is going to the micro sector. "This means, we can hope that our SME sector will grow further."

Quoting the governor's statement, the Finance Minister said that this has been good news for the economy that investment has taken a positive turn.

Turning to the city's traffic congestion, the Finance Minister expressed annoyance over the messy traffic saying this is absolutely a result of mismanagement of the traffic department.

Muhith observed that there are traffic signals on the streets but there is no culture to abide by the traffic rules. "Now a 30-minute journey takes one and a half hours...this is very unfortunate."

Bangladesh Bank governor Dr Atiur Rahman said the central bank has been pursuing different policies to promote banking support for micro, small and medium sector in line with the government's strategy for inclusive growth.

He said last year about Tk 90,000 crore bank loans were disbursed in the SME sector at very lower interest rate. The central bank has also introduced a number of re-financing schemes for the sectors with single digit interest rate.

He mentioned that female entrepreneurs are getting extra attention so that they can avail of collateral-free bank loans as part of the policy to bring them in the mainstream of the economy. At the function, six banks and three non-banking financial institutions were given awards for

their outstanding role in promoting SME sector, rural economy, female entrepreneurship and the manufacturing sector.